REMARKS/ARGUMENTS

Favorable reconsideration of this application is respectfully requested.

Claim 22 is present in this application and stands rejected under 35 U.S.C. § 112, second paragraph, and under 35 U.S.C. § 102(b) over U.S. 5,923,754 (Angelo et al.).

Referring to the previously submitted FIG. B, the apparatus of claim 22 recites a recording apparatus in which encrypted contents are moved between the first disk D1(α), second disk D2(β) and third disk D3(γ). In this recording apparatus, the result of movement of encrypted contents from the first disk D1 to the second disk D2 differs from the result of movement of the encrypted contents from the second disk D2 to the second disk D3.

More specifically:

i) When contents are moved from the first disk D1 to the second disk D2, the status of each disk is changed as follows:

Contents of D1 are reproducible and movable before contents movement

Contents of D1 are only reproducible and contents of D2 moved from D1 are
reproducible and movable after contents movement.

ii) When the contents are moved from the second disk D2 to the third disk D3, the status of each disk is changed as follows:

Contents of D2 are reproducible and movable before contents movement

Contents of D2 are not even reproducible and contents of D3 moved from D2 are
reproducible and movable after contents movement.

Namely, in the apparatus of claim 22, the first disk D1 with contents originally recorded thereon can still reproduce them even after they are moved to the second disk D2, whereas the second and third disks D2 and D3 cannot reproduce or move the contents after the contents are moved therefrom.

This is realized by recording a medium key and a move key on the first disk, and deleting only the move key and leaving the medium key after the contents thereon are moved to another disk to thereby leave the reproduction function, and further by recording only a move key on the second disk, and deleting the move key after the contents thereon are moved to another disk to thereby disable its reproduction function.

Thus, in the recording apparatus of claim 22, a disk with contents originally recorded thereon is distinguished from another disk to which the contents are moved, so that the original disk can still reproduce the contents after they are moved to said another disk, whereas said another disk cannot reproduce the contents after they are moved to yet another disk.

Turning to the prior art rejection, <u>Angelo et al.</u> aims to reliably transfer contents or key data encrypted and recorded on, for example, a DVD, to such a reproduction device as a video controller 18 or an output device incorporated in a computer. Thus, the destination of contents is an internal storing area of the reproduction device, which differs from the apparatus of claim 22 in which the destination of contents is <u>a recording medium</u>.

In Angelo, a transfer key is shared between a transmitter side and receiver side. In particular, claim 1 of Angelo et al. describes how a protection key (transfer key) for data transmission is generated. Claim 5 of Angelo et al. describes that an output device generates the transfer key, and claim 6 of Angelo et al. describes that a disk drive generates the transfer key. Since two devices can generate the transfer key by the same method, the same key (transfer key) can be shared between the transmitter and receiver sides. As is evident from the above, Angelo et al. does not disclose a technique of transferring contents from a recording medium (D1) to another recording medium (D2), and from the recording medium (D2) to yet another recording medium (D3).

Further, Angelo et al., in contrast, does not disclose the apparatus of claim 22 where different processes are executed on the first and second media such that the first medium may be distinguished from the second medium, in property, although Angelo et al. discloses the use of a transfer key for transferring DVD contents. In particular, the Office Action identifies step 38 of Angelo et al. with regard to moving contents from the first to the second recording medium. Step 38 consists of obtaining the video key from the video controller 18 and storing the video key in the drive, not on a medium. Secondly, in claim 22 the medium key and the move key are supplied from the encrypting section and stored on the first medium. The encrypting section is identified as the DVD drive. The DVD drive does not store keys corresponding to the medium and move keys.

In claim 22, the third key, encrypted by the fourth key, is recorded on the first medium. The third key is identified as the private DVD key generated by the DVD drive (column 3, lines 48-62) and the fourth key is identified as the video key. The private DVD key is sent to the controller 18 for decryption and display of the encrypted data (column 3, lines 48-62). It is not stored on the first medium.

Claim 22 also recites erasing the move key from the first medium. The Office Action identifies the DVD as the first medium (see page 5). No key is erased from the DVD in Angelo et al.

The Office Action identifies the video monitor as the third medium, and refers to the discussion of claim 21 for moving the contents from the DVD to the "machine." The discussion of claim 21 includes moving contents to the video controller. There is no description in Angelo et al. of the movement of the data from the second to the third mediums (i.e., the operations following the wherein clause in claim 22) when contents are transferred from the video controller to the video monitor. Angelo et al. simply does not and cannot disclose the apparatus of claim 22.

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It is respectfully submitted that the present application is in condition for allowance, and a favorable action to that effect is respectfully requested.

Respectfully submitted,

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